

AMS Handbook 201  
11/89

# PERSONAL PROPERTY MANUAL

## TABLE OF CONTENTS

	PAGE
CHAPTER 1	ACQUISITION OF PERSONAL PROPERTY
1.1	PURPOSE.....1-1
1.2	PLANNING FOR NEEDS.....1-1
1.3	ACQUISITION METHODS.....1-1
1.4	ACQUISITION PROCEDURES.....1-3
1.5	RECEIPT PROCEDURES.....1-3
CHAPTER 2	IDENTIFICATION OF PERSONAL PROPERTY
2.1	PURPOSE.....2-1
2.2	IDENTIFICATION REQUIREMENTS.....2-1
2.3	PROPERTY NUMBERS.....2-1
2.4	METHODS OF IDENTIFICATION.....2-2
2.5	PLACEMENT OF IDENTIFICATION.....2-3
2.6	REMOVAL OF MARKINGS.....2-3
CHAPTER 3	UTILIZATION AND MAINTENANCE
3.1	PURPOSE.....3-1
3.2	GENERAL REQUIREMENTS.....3-1
3.3	UTILIZATION SURVEYS.....3-1
3.4	ESTABLISHING EQUIPMENT POOLS.....3-1
3.5	MAINTENANCE.....3-3
3.6	REHABILITATION OF CURRENTLY OWNED PROPERTY.....3-3
3.7	SUPPLY/MATERIAL MANAGEMENT.....3-3
CHAPTER 4	SECURITY REQUIREMENTS FOR PERSONAL PROPERTY
4.1	PURPOSE.....4-1
4.2	REQUIREMENTS.....4-1
4.3	REMOVING PROPERTY FROM AGENCY SPACE.....4-2
4.4	REPORTING LOSS, THEFT,OR DAMAGE OF PERSONAL PROPERTY.....4-3
i	
CHAPTER 5	RECORDKEEPING AND INVENTORY REQUIREMENTS
5.1	PURPOSE.....5-1
5.2	RECORDKEEPING.....5-1
5.3	PROPERTY RECORDS.....5-1
5.4	REQUIREMENTS FOR ACCOUNTABLE AND SENSITIVE PROPERTY.....5-2
5.5	PROPERTY REPORTS.....5-4
5.6	CONDUCTING PHYSICAL INVENTORIES.....5-5
5.7	EMPLOYEE EXIT INVENTORY.....5-8
5.8	SPECIAL INVENTORY DUE TO CHANGE IN AO'S.....5-9
CHAPTER 6	DISPOSAL OF PERSONAL PROPERTY
6.1	PURPOSE.....6-1
6.2	DISPOSAL REQUIREMENTS.....6-1
6.3	DISPOSAL PROCEDURES - FIELD OFFICES.....6-2
6.4	DISPOSAL PROCEDURES - WASHINGTON, DC,

	METROPOLITAN AREA.....	6-10
6.5	SALE OF PERSONAL PROPERTY.....	6-11
6.6	DONATION OF PERSONAL PROPERTY.....	6-13
6.7	EXCHANGE/SALE PROPERTY.....	6-14

## CHAPTER 1

### ACQUISITION OF PERSONAL PROPERTY

- 1.1 Purpose This Chapter states the various methods used to acquire personal property; provides the procedures for obtaining property through excess, transfer, donation, loan, or cooperative agreements; and refers to the Agency's Acquisition Handbook for the procedures to follow when acquiring new property.
- 1.2 Planning for Needs Officials should make a value analysis during the planning and implementation stages of work projects to identify personal property items which will be needed in performing the work. The value analysis should include:
- A. Determination on what types of supplies, equipment, furniture, etc., will be needed.
  - B. Determination on what duties or functions are to be performed.
  - C. Current availability of the required items.
  - D. Other uses for the property on future projects.
  - E. Length of time for completion of the project.
  - F. A comparison of costs for purchasing, renting, leasing, repairing, rehabilitating, transferring, or handling and shipping property from another location.
  - G. Requirements for storage of supplies, materials, etc., and frequency of need.
- 1.3 Acquisition Methods
- 1.3.1. Acquisition Through Excess. It is Department policy to use excess property as the first source of supply. Accountable Officers (AO's) must consider the following factors when making the acquisition:
- A. The availability, condition, and cost of repairs to restore the item to a safe, dependable, and economical operating condition. The condition of the property is identified by codes as described in Exhibit 1 of this Chapter.
  - B. Frequency of use and duration of the Job to be accomplished with the property.
  - C. Costs of ownership versus costs to borrow, rent, or lease the item, especially if it will not be used on a frequent basis.
  - D. Costs for packing, shipping, and/or having the property repaired or rehabilitated to improve its appearance or compatibility with other property versus the costs to rent, lease, or purchase the item.
- 1.3.2. Acquisition Through Donation. An organization, company, individual, or State/Local government agency may donate personal property to the Agency.

Before AO's or other employees agree to the acquisition of the property, contact the Property Section, Accounting and Property Services, Field Servicing Office (FSO), APHIS.

- 1.3.3. Acquisition Through Loans. Officials may borrow property from other organizations if needed only for a one-time or short-term function. Loans can be made within and between Agency programs or divisions, Departmental agencies, or other Government agencies when the needed property is available and the other organization agrees to the loan.
- 1.3.4. Acquisition Through Transfer, Assignment, or Exchange. AO's may acquire personal property from another organization within the Agency or from another Departmental agency. The property ownership is transferred from the transferring organization to the receiving organization.
- 1.3.5. Acquisition Through Collaborators, Grantees, and Cooperators. Personal property which is needed for carrying out projects covered by grants, collaborative, or cooperative arrangements may be acquired by the collaborator/cooperator/grantee or the Agency. The collaborator/cooperator retains ownership and control over any property purchased with its own funds. If the property is purchased with Federal funds provided to the collaborator/cooperator/grantee, title to the property vests with the recipient. However, the Agency has a right of transfer upon completion of the project.
- 1.3.6. Acquisition Through Rental or Lease. Personal property items which are needed only on a one-time or occasional basis may be rented from

1-2

local sources instead of being purchased as Agency property. Other items may be leased from the manufacturer or a vendor for specific periods of time. Consideration must be given to the costs for leasing versus the costs for purchasing, depending upon the length of time the item will be needed and whether the Agency has a right to purchase at a later date with credit for the funds spent on the lease.

#### 1.4 Acquisition Procedures

Follow the guidelines and procedures contained in the Agency's Acquisition Handbook for purchasing personal property items and preparing receipt documents to show that the items have been received.

#### 1.5 Receipt Procedures

Chapter 6 of this Personal Property Manual describes receipt requirements for accountable and sensitive property items since these items are entered into the Property Management Information System (PMIS) which is maintained by the Department.

Exhibit 1  
Chapter 1

#### CONDITION CODES

1 Unused - Good

- 2 Unused - Fair
- 3 Unused - Poor
- 4 Used - Good
- 5 Used - Fair
- 6 Used - Poor
- 7 Repairs Required - Good
- 8 Repairs Required - Fair
- 9 Repairs Required - Poor
- S Scrap
- X Salvage

## CHAPTER 2

## IDENTIFICATION OF PERSONAL PROPERTY

2.1  
Purpose

This Chapter describes the identification requirements; the types of decals used for identification; and procedures for acquiring, placing, and removing identification decals or tags.

2.2  
Identification  
Requirements

2.2.1 Accountable and Sensitive Property. All items of accountable and sensitive property must be identified with the serial number or an Agency property number and the Department and Agency identification decal to show ownership.

Accessories to accountable property items may be identified with the same number as the accountable item.

2.2.2. Nonaccountable Property. Items of nonaccountable property must be identified with the Department and Agency identification decal to show ownership. Items must be identified the same as accountable and sensitive property when the Agency is collocated with other Government, private, State, or university facilities or because the items are susceptible to unauthorized personal use.

2.2.3. Exceptions. Offices are not required to identify ownership of property when impractical to do so because of size, type of surface, type of use, or the location for the identification decal makes it difficult to attach.

2.2.4. Property Which Has a Manufacturer's Serial Number. Property items which contain a manufacturer's serial number are to be identified with a decal showing "USDA" and "Agency" ownership. Inventory control will be accomplished with the use of the serial number instead of an Agency property number.

2.3  
Property Numbers

The Property Section, Field Servicing Office (FSO), assigns property numbers for all newly acquired property that does not have a serial number. These numbers are assigned to the Agency either singularly to Accountable Officers (AO's) or in blocks to selected field stations.

## 2-1

2.4  
Methods of  
Identification

- 2.4.1. Paper Decal. The Property Section, FSO, furnishes decals which contain the property number, "United States Department of Agriculture," and Agency name. This decal is designed for general use.
- 2.4.2. Other Decals. Metal tag decals may be acquired when the use of a paper decal is not suitable; e.g., for heavy equipment or property stored outside. The metal decal contains the same information as the paper decal.
- 2.4.3. Other Marking Methods.

A. Stencils or Marking Pens. AO's may use one of these methods when appropriate to reproduce the property number and identifying information.

B. Etching. AO's may purchase and use an electric etching tool to mark the property if other methods of identification are not appropriate. For some office machines, the AO can also make arrangements with the supplier to engrave the required information onto the machine. There is a separate charge for this service and it must be listed separately on the purchase order.

C. Bar Code Labels. A bar code label can be acquired for accountable and sensitive property from the Property Management Information System (PMIS). This label contains the unique serial number and a brief description of each item as it is entered into PMIS. Contact the Property Section, FSO, for further information on obtaining and using the bar code label.

NOTE: When another identification method is used for identifying property, place the paper decal on the item or destroy it after the information has been reproduced.

Exhibit 1 of this Chapter shows the various identification decals which are available through the Property Section, FSO.

- 2.4.4. Bookplates. Form AD-33, Bookplate, must be used for identifying Agency-acquired books or reference aids which cost \$12.50 or more. These materials become property of the National Agricultural Library regardless of the funds used or method of acquisition. The office processing the order will furnish the Form AD-33 upon receipt of the purchase order.

## 2-2

- 2.4.5. Warning Signs. Organizations which own or use property containing a radioactive element (such as gas chromatographs with electron capture detectors) must display suitable warning signs on the equipment or at the location of the property. (See the Agency's directive on the use and safety of radioactive materials.)

2.5  
Placement of  
Identification

AO's must place the property number and identification decals in a location that is permanent, uniform, and highly visible. Be careful not to place them in areas exposed to excessive wear and tear nor in locations requiring movement of the property before the information can be easily seen.

## 2.6

AO's must remove decals and other markings

Removal of Markings before the property is transferred outside the Agency, sold, abandoned, or destroyed.

EXHIBIT 1 TO CHAPTER 2 IS AN ILLUSTRATION OF PERSONAL PROPERTY DECALS.  
FOR A COPY OF THIS EXHIBIT, PLEASE CONTACT THE INFORMATION MANAGEMENT BRANCH, AMS.

### CHAPTER 3

#### UTILIZATION AND MAINTENANCE

- 3.1 Purpose This Chapter describes the requirements on utilization and provides guidelines for completing utilization surveys and for maintaining and storing property.
- 3.2 General Requirements Acquisitions of personal property should be limited to those items required for immediate needs. Offices should repair, rehabilitate, and/or recirculate items to meet requirements. Items which are used only occasionally should be pooled for use by all employees. To ensure that all property is fully utilized, utilization surveys should be conducted periodically. Items which are no longer needed should be reported as excess to the particular organization and made available to meet other Agency needs.
- 3.3 Utilization Surveys Accountable Officers (AO's) should coordinate utilization surveys between employees, management, and the Property Section, Field Servicing Office (FSO)- A good time for doing a survey is when conducting physical inventories, when reassigning personnel, when employees leave the organization, or when work projects have been completed. The utilization survey should include:
- A. Number of hours the property item is available for use each week, month, quarter, or year.
  - B. Number of hours the property item is used each week, month, quarter, or year.
  - C. Difference between hours of availability and hours of use.
  - D. Frequency of use of any special features that are available on the item.
  - E. Number of employees who use the item.
  - F. The period of time each person needs to use the item.
  - G. Locations of persons who need to use the item.
- 3.4 Establishing Equipment Pools One way to increase the use of equipment is to establish equipment pools. Equipment pools can be established by physically locating the items in a central location for all employees to use or by maintaining a list which shows the type of equipment, its location, and information on its availability for loan or temporary use by others. Local circumstances will dictate when, where, what types, and how many equipment pools should be established.
- 3.4.1. Criteria for Establishing Equipment Pools. AO's should consider establishing equipment pools when:
- A. The items are suitable for use by more than one or two persons.
  - B. The items are not used on a full-time basis.
  - C. The items are somewhat portable or can be easily moved when necessary.
  - D. The cost and/or value of the equipment merits

controlling and obtaining the best use.

- 3.4.2. Types of Equipment to Consider for Equipment Pools. Depending upon the location, number of employees, and frequency of use, the following items are acceptable for equipment pools:

- A. Laboratory equipment.
- B. Portable tools.
- C. Microscopes.
- D. Business machines.
- E. Spray equipment.
- F. Measuring and recording equipment.
- G. Photographic equipment.
- H. Amplifiers.
- I. Portable radios.
- J. Power supplies.
- K. Radiation detection devices.
- L. Audio visual equipment.

3.5  
Maintenance

- 3.5.1. Daily Housekeeping. Employees should clean items regularly to minimize undue deterioration.
- 3.5.2. Periodic Inspections. AO's must ensure that periodic inspections are made to determine if repairs are needed or if replacement is necessary. The inspection should be made at least once a year.
- 3.5.3. Maintenance and Repairs. Employees should follow any preventive maintenance guidelines provided and/or recommended by the manufacturer, and immediately request repair services when necessary or when damage occurs.

3.6  
Rehabilitation  
of Currently  
Owned Property

Some items of personal property can be rehabilitated to improve their appearance or make them compatible with other items. Items such as desks, chairs, tables, and file cabinets should be rehabilitated when cost effective instead of acquiring new items.

The Department and General Services Administration have some rehabilitation programs in which Agency personnel may wish to participate. To obtain further information, field offices should contact the Property Section, FSO. Offices in the Washington, DC, area should contact the Headquarters Operations Section, Property and Safety Management Branch, Administrative Services Division, for further information.

3.7  
Supply/Material  
Management

- 3.7.1. General Requirements. Supplies and materials must be acquired, stocked, controlled, and issued in the most cost effective, advantageous manner. Periodic reviews must be made to ensure that the method and frequency of ordering and the rate of use justify the continued storage and issuance of the supplies and materials.
- 3.7.2. Storage Principles. AO's should:
- A. Follow the "first-in-first-out" rule for stock which is susceptible to deterioration. Purchase perishable supplies on an as-needed basis and carry only limited stocks on hand to meet seasonal demands. This will avoid losses due to spoilage.

B. Arrange and display items so that the name and quantity can be easily determined. Store fast-moving items in locations where they can be issued with a minimum amount of handling.

C. Consider maximum protection of property against all causes of theft, deterioration, or destruction by selecting a proper storage site.

D. Periodically inspect areas for excess items.

3.7.3. Recordkeeping Requirements. Appropriate records must be maintained on the inventory and issuance of supplies and materials to ensure that the oldest items are issued first, quantities on hand will be issued prior to deterioration and/or expiration of the designated shelf life, and excessive accumulation of items does not occur.

#### CHAPTER 4

##### SECURITY REQUIREMENTS FOR PERSONAL PROPERTY

#### 4.1 Purpose

This Chapter describes the requirements for safeguarding personal property and provides procedures for controlling access to the property, maintaining secure facilities for the property, and controlling the removal of personal property from Agency space.

#### 4.2 Requirements

The degree of protection needed to safeguard property depends on the type of property, the monetary value, the location, the potential for theft or personal use of the property, and the types of security available.

##### 4.2.1. Security Devices.

A. Theft deterrent cables or other suitable devices are available to fasten items such as typewriters, printers, word processors, computers, microfiche readers, etc., to a desk or table. Other types of cables are available to lock items independently or to a stationary post so they are more difficult to steal.

B. Safes, desks, and cabinets can be equipped with special locks. They can then be used to store dictating machines; tape recorders; cameras; calculators; firearms; ammunition; drugs and medical supplies; and other valuable property (e.g., money, coupons, seals, tags, decals, badges, credit cards, identification cards, and other items which have a cash value or are used to procure and pay for property or services).

C. Special locks should be installed on doors to offices, storage rooms, or fenced outdoor storage areas when Agency offices are located in buildings that are open to the general public or are in high-crime areas. This will further reduce the risks of loss, damage, or theft of the Agency's property.

##### 4.2.2. Responsibilities.

A. Accountable Officers (AO's) are responsible for ensuring that:

- Security devices or locks are obtained and installed as appropriate.



- Outside storage areas are clearly posted to indicate that the property stored there belongs to the U.S. Government.

- Protection is available for covering property kept in outdoor storage to reduce damage from weather conditions.

- Access to storage facilities is restricted to authorized personnel only.

- Safety and fire protection regulations are followed within storage facilities and for the handling of flammable materials.

- Special protective measures are taken for storage of items that require protection from light, odors, dampness, fire, heat, vermin infestation, freezing, or extreme temperature changes.

- Proper stock protection and floor load capacities are considered when arranging indoor storage areas.

- Guidelines are developed and provided to employees covering procedures for securing and controlling the use of property, gaining access to secure storage facilities, and maintaining data on employees who are assigned keys or combinations to locks.

B. Employees are responsible for the security of all property which is assigned to them for use. Movable items of value are to be placed in a secure storage facility when not in use or at the end of the workday.

#### 4.3 Removing Property From Agency Space

- 4.3.1. General. When Agency-owned or personally owned property is being removed from Agency space, an authorization for removing the property must be prepared. The person removing the property must sign a receipt showing that he/she assumes responsibility for the property while it is away from the Agency's space.
- 4.3.2. Authorization. The AO or other designated person must complete Form AD-873, Property Pass, and give the original and green copy to the person removing the property. The yellow copy is to be kept in the inventory record. See Exhibit 1 of this Chapter.
- 4.3.3. Action on Leaving the Building. The person removing the property from the building gives the original of Form AD-873 to the guard on duty if such service is provided. If guard service is not provided, the official in charge of the location should implement procedures for handling this action.
- 4.3.4. Returning the Property. When returning the property to the Agency's space, the employee or other person should return the green copy of Form AD-873 to the AO (or other designated person) so the record can show that the property has been returned.
- 4.3.5. Follow-up Action. The person authorizing the removal of Agency property should review the files of Form AD-873 to see that the property as returned. If the green copy has not been received, contact the employee or other person to see why the property has not been returned and find out when it

will be returned.

4.4  
Reporting Loss,  
Theft, or Damage  
of Personal  
Property

- 4.4.1. An employee who causes damage to Agency property, loses it, or discovers that it is damaged, lost, or stolen must report it to the supervisor in memorandum form. Provide the following information:
- A. The property or serial number, AO's name and number, manufacturer, model number, and a brief description of the item.
- B. Description of the loss, theft, or type of damage, and an explanation of how it occurred; when it occurred or was discovered; when reported to the local police, Federal Protective Service, Federal Bureau of Investigation, or other authorities; and any other details which will be helpful in conducting an investigation. Include any copies of police reports that were received from the investigation.
- NOTE: See your Agency Directives On "Access and Security in Agency-Occupied Space" for authorities to whom reports must be made.
- C. If the property is damaged, estimate the costs to make repairs, or the costs to replace the item if it to damaged beyond repair.
- 4.4.2. The supervisor investigates the incident; completes Form AD-872, Property Damage Incident, if the damage is \$10,000 or more; forwards the original Form AD-872 and the employees statement to the AO; and retains a copy of all documents for the record.  
See Exhibit 2 of this Chapter.
- 4.4.3. The AO reviews the information submitted by the supervisor and the employee, makes any additional investigation needed, completes Sections A and F of Form AD-112, Report of Unserviceable, Lost or Damaged Property, forwards the original of all documents to the Property Section, Field Servicing Office (FSO), and retains a copy of all documents in the official records. See Exhibit 3 of Chapter 5.
- 4.4.4. The Property Section, FSO, reviews the information submitted; determines whether the loss, damage, or theft resulted from employee negligence; refers cases of possible gross negligence to a Board of Survey; ensures that Sections C, D, and E of Form AD-112 are completed; and notifies the AO and employee of the liability decision and any action required.
- 4.4.5. The Board of Survey determines whether or not the employee will be held financially liable because of gross negligence contributed to or resulted in the damage, loss, or theft of the property. The Board also determines the amount which the employee must pay, if found liable and recommends cases which may require disciplinary action to the Human Resources Division (APHIS, ACS, FGTS, OT & P&SA) or Personnel Division (AMS) for action.
- A. Members. The Director, FSO, appoints the members of the Board of Survey. Persons appointed cannot be involved in the case or have any knowledge of the circumstances surrounding the damage, loss, or theft.
- B. Factors Considered. The members of the Board of Survey review all of the information submitted

and consider the following factors:

- Whether other employees of average prudence in the same circumstances could reasonably have been expected to anticipate the risk of loss.
- Whether the employee should have anticipated the potential for loss because of the circumstances.
- Whether the employee took reasonable action(s) to avoid the risk in light of the possible occurrence, the gravity of the risk, the other options available to the employee within the limits of the work environment, and whether these options were practical.
- Whether the employee failed to take responsible action to prevent the loss and the failure to act was a substantial factor in bringing about the loss.

#### C. Liability Amount.

- Damaged Property. The amount will be the cost to the Government for repairing the property or the recorded value of the property minus reasonable depreciation, if the property was damaged beyond repair.
- Lost, Stolen, or Destroyed Property. The amount will be based on the recorded value of the property minus reasonable depreciation, considering the age and condition of the property at the time it was lost, stolen, or destroyed.

D. Notice of Liability. The employee will receive written notice of the liability decision, the amount of liability, instructions on how the liability amount will be collected, and what appeal rights he/she has in regard to the decision.

E. Settlement of Debts for Employees Who Are Leaving the Agency. Employees who are leaving the Agency will be given an opportunity to settle the debt prior to their departure. If settlement is not made, the supervisor will request that the National Finance Center deduct the amount from the employee's final salary, lump-sum payment, or retirement.

EXHIBIT 1 TO CHAPTER 4 IS A SAMPLE FORM AD-873, PROPERTY PASS. EXHIBIT 2 IS A SAMPLE FORM AD-872, PROPERTY DAMAGE INCIDENT. For a copy of these exhibits, please contact the Information Management Branch, AMS.

## CHAPTER 5

### RECORDKEEPING AND INVENTORY REQUIREMENTS

- |                       |   |
|-----------------------|---|
| 5.1<br>Purpose        | This Chapter describes the recordkeeping and inventory requirements for personal property, the Property Management Information System (PMIS), Personal Property System (PROP) and the reports produced by it, and the procedures for completing required physical inventories.                                  |
| 5.2<br>Record keeping | The key element in managing personal property is accountability. Therefore, records must be kept showing what property belongs to the organization, who has custody of it, the location of it, and what happens to it while it is under the Accountable Officer's (Ao's), supervisor's, and employee's control. |

Inventories must be taken annually or biennially, as agreed upon by the Agency and the Property Management Officer, Field Servicing Office, (FSO), or when an employee or an AO leaves, transfers, retires, etc.

5.2.1. Accountable and Sensitive Property. PMIS is the official recordkeeping method for accountable and sensitive property. AO-s must submit specific information to the Property Section, FSO, after the property is received and when any transfers, changes, or deletions occur so the PMIS record can be established or changed.

5.2.2. Nonaccountable Property. AO's must maintain records and inventory lists on nonaccountable property even though this property is not included in PMIS. These records must be available for inspection.

### 5.3 Property Records

5.3.1. Property Assignments. Supervisors should use Optional Form 130, Personal Custody Property Receipt, or Form AD-106, Property Record, or Form ADC-13, Receipt for Property, to assign property to employees. The employee-a signature on the Form AD-106, Form OF-130, or Form ABC-13 acknowledges receipt of the property and accountability for it.

5.3.2. Documenting Actions. Ace or supervisors must make notations on the Form AD-106 or Form OF-130 to keep the record up to date (e.g., show to whom items were transferred or loaned, and the date of the transfer or loan; the date the property was declared excess, etc.).

5.3.3. Files. The supervisor or AO must maintain a file containing originals of Form OF-130, Form AD-106, or Form ABC'-13 for each employee under his/her control. Each employee may keep a copy of the form.

5.3.4. Sample Forms. Exhibit 1 of this Chapter contains sample copies of Form AD-106, Form OF-130, and Form ABC-13 as well as completion instructions.

### 5.4 Requirements for Accountable and Sensitive Property

5.4.1. Notifying the Property Section, FSO, of Receipt. AO's must develop property receipt procedures ensure that the information is provided to the Property Section, FSO, when accountable and sensitive property has been received. This responsibility may be delegated to supervisors, employees, or a single individual under the AO's supervision.

The AO or designated person must add the following to the green "receipt" or goldenrod "property" copy of the purchase order:

- A. Manufacturer.
- B. Model number.
- C. Serial or property number.
- D. Accountable Officers PMIS number.
- E. Accountable Officers name.
- F. Accounting or management code.
- G. Brief description of the property's purpose or use.
- H. Date received.

I. Serial number or property number of a basic unit to which this item is an accessory or component. The copy may be stamped with blanks for filling in this information. If It is not, attach this information to the receipt or property copy.

NOTE: If you do not have a copy of the purchase order, send the above information and the purchase order number, if known, to the Property Section, FSO, via Telemail, Prime's File Transfer Utility, telephone, or memorandum.

5.4.2. Maintaining Inventory Data. The AO must make notes on the inventory reports or in the individual files, and maintain copies of the various forms that are submitted to FSO so his/her files are kept up to date to show accountability.

5.4.3. Forms Used to Report Property Actions.

A. Form AD-107, Report of Transfer or Other Disposition or Construction of Property. Use this form for:

- Transferring the accountability of property from one AO to another within the Agency;
- Recording the temporary loan of property within the Agency;
- Reporting property that is loaned to another agency for an extended period of time; and
- Reporting the trade-in of office machines when the vendor provides this option when acquiring new machines.

See Exhibit 2 of this Chapter for instructions on completing Form AD-107.

B. Form D-112, Report of Unserviceable, Lost, or Damaged Property. Use this form for reporting the damage, loss, or theft of any property, including accountable forms, badges, firearms, credit cards and Government seals, and for reporting any property that the AO determines is unserviceable. See Exhibit 3 of this Chapter for instructions on completing Form AD-112.

C. Form SF-120, Report of Excess Personal Property. Use this form for reporting all property which is excess to the AOs organization. See Exhibit 4 of this Chapter for instructions on completing Form SF-120.

D. SF-122, Transfer Order Excess Personal Property. Use this form for requesting excess property from another agency. See Exhibit 5 of this Chapter for instructions on completing Form SF-122.

## 5.5 Property Reports

5.5.1. General. PROP is a management reporting system of the Central Accounting System. National Finance Center (NFC) maintains the data base, integrates fiscal accounting with property accountability, and prepares reports required by the Department or GSA. PROP also provides uniform data for management and control of accountable, leased, loaned, and excess property.

5.5.2. Data Input. The Property Section, FSO, enters the property information directly into PROP based on the forms AO's submit (see paragraph 5.4.3, above).

5.5.3. Reports Generated. Once the data has been entered, NFC distributes the following reports:

A. Personal Property Physical Inventory Report (PROP 302). This report lists the AO's accountable and sensitive property and includes a certification statement regarding the physical inventory reconciliation. The report number "PROP 302" is shown in the upper lefthand corner.

1. NFC automatically sends an 8 1/2" x 11 size copy of this report to the AO at the end of each quarter. Once the new report is received, AO's can discard the previous quarters report. Submit any corrections to FSO on a photocopy of the report which shows the corrections.

2. The Property Section, FSO, requests a computer printout of this report from NFC when it is needed for the physical inventory reconciliation or if a change in AO's occurs. FSO sends this report to the AO with a specific request that the physical inventory be conducted. See Exhibit 6 of this Chapter for a sample of this report.

B. Personal Property Transaction Report (PROP 303). This report lists all additions, changes, and deletions to the AO's accountable and sensitive property inventory. The report number "PROP 303" is shown in the upper lefthand corner.

This report is published for each AO on a weekly basis if changes were made or action was taken on any property. AO's must review this report carefully to ensure that all requested transactions are reflected in the records. Notify the Property Section, FSO, if there are errors or you have any questions. See Exhibit 7 of this Chapter for a sample report. The first column "TRAN CODE" identifies the type of action which occurred to the property record. See Exhibit 8 of this Chapter for the current transaction codes which may appear on this report. Some actions require more than one transaction code.

NOTE: If either report shows "S needs one" in the serial number block, provide the number to FSO or make a note that the property does not have a serial number.

## 5.6 Conducting Physical Inventories

5.6.1. Nonaccountable Property. The AO must ensure periodic physical inventories are conducted for nonaccountable property under his/her control. The appropriate forms should be completed to report excess, lost, damaged, or unserviceable property. Ensure that Form AD-106, Form OF-130, or Form ABC-13 records are up to date for each employee.

5.6.2. Accountable and Sensitive Property. The Property Section, FSO, will designate dates for AO's to conduct physical inventories and will obtain inventory lists (PROP 302) from NFC through PMIS/PROP. The Property Section, FSO, will send this inventory list to AO's with specific instructions for checking the official inventory against the AO's records and for the visible verification of property on hand.

5.6.3. Separate Inventory Lists. Separate inventory lists may be maintained when an AO's control covers different locations, sections, units, or programs.

5.6.4. Guidelines for Conducting Physical Inventories.

A. Make an orderly, item-by-item check of all property, making sure that no item is missed.

B. Make a separate list of items which need repairs so that action can be taken later. Be sure to note the location of the property on the inventory.

C. Ensure that each item has a serial number or property number and an identification decal. If either decal is missing, add a note "decal" to the left of the property number. If the number is incorrect, line through it and write the correct number above it.

D. Correct the descriptions of items where necessary. Use the terms found in procurement catalogs.

E. When an item of accountable or sensitive property is not on the inventory list (PROP 302), complete the form which is sent with the inventory list and attach it when returning the inventory to the Property Section, FSO.

F. If an item is on loan to another office, note that fact and the name and location of the person to whom it is loaned.

G. If an item not on the inventory list was borrowed from another office, make a separate list showing the complete description, name and location from where it was borrowed, and the date.

H. Make appropriate entries to identify property that is lost, unserviceable, excess to the needs of the AO's organization, being transferred to another office, or cannot be located after all possible locations have been checked. Also prepare the appropriate forms as listed below and attach them to the inventory list when returning it to the Property Section, FSO:

- Form AD-112, for any items of property that are unserviceable, damaged, or lost.

- Form SF-120, for any property that is excess to your needs.

- Form AD-107, for any property being transferred to another AO, including the Centralized Excess Property Office (CEPO) for offices located in the Washington, DC, area. If any documents were previously submitted to the Property Section, FSO, on an item of property which should not have appeared on your inventory, attach copies of the documents and send them to the Property Section, FSO, when returning the inventory.

NOTE: The Property Section, FSO, cannot complete the inventory reconciliation without the necessary documents and will send you an APHIS Form 282, Statement of Property Inventory Notice, if you do not submit the required forms with your inventory. See Exhibit 9 of this Chapter for a sample copy of the APHIS Form 282.

I. After all property on the inventory is accounted for and appropriate actions described above have been taken, the AO must sign and date the certification Statement block on the last page of the inventory list. The employee who was designated to take the physical inventory should also sign the inventory list below the AO's signature.

NOTE: Do not sign the block marked Property Management Officer.- Employees In the Property Section, FSO, sign this certification once the inventory has been reconciled with the PROP system.

5.6.5. Special Requirements for Laboratory and Research Equipment In addition to the inventory requirements, the General Services Administration requires that a Laboratory Inspection Team be appointed to each laboratory or research facility. The Laboratory Inspection Team must conduct an annual "walk-through" of the facility and its storage areas.

A. Members. The Laboratory Inspection Team must consist of personnel who are familiar with the program, the equipment needs, and future plans at the facility. Members will include the head of the field station, a laboratory manager, a technical or scientific person, and an administrative person.

B Purpose. The Laboratory Inspection Team Will conduct a tour of the facilities to identify equipment which can be pooled, shared, or loaned to others; that is excess or unserviceable; that is unsuitable for carrying out program demands because of its age, size, capacity, or range; that is essential for carrying out the program; or which will be required in the future for the functions of the laboratory or research facility.

C. Action. At the end of the "walk-through, the Laboratory Inspection Team will prepare a report showing what actions were taken and complete any Forms AD-107, AD-112, or SF-120, as appropriate. If equipment was placed in, or removed from, an equipment pool, the report should contain a statement on the use and effectiveness of it and why it was, will be, or was not workable.

NOTE: AO's may establish inspection teams at other facilities and conduct this same type of inspection for any organization or location.

5.7  
Employee Exit  
Inventory

5.7.1. Accounting for Property. Supervisors must ensure that employees who are being RIF'd, furloughed, retiring, resigning, or transferring outside the organization return all Agency-owned or -leased personal property, identification cards, and keys in their possession before they leave.

A. The supervisor completes the Employee Exit Inventory and compares it to the Form OF-130, Form ABC-13, or Form AD-106 to see that all property assigned to the employee is accounted for.

B. If there are items the employee no longer has which were not previously reported as lost, damaged, or stolen, the AO must complete Form AD-112 and submit it to the Property Section, FSO. If employees cannot account for any property which



was assigned to them, they may have to make financial settlement for it. Provide the Property Section, FSO, with the employee-a separation date so that a prompt evaluation and decision on financial settlement can be made.

C. If financial settlement is required, the Property Section, FSO, will inform the employee that the Agency requests payment by personal check (made payable to "USDA") before the separation date.

D. Should the employee not make settlement before he/she leaves, the supervisor must immediately inform the AO. The AO must then call FSO, Personnel Services, and request that the amount due be withheld from the employees final salary check, lump-sum payment, or retirement, as appropriate.

- 5.7.2. Transferring Delegations of Authority. Certain positions require that authorities be redelegated to another person when an employee leaves. Supervisors are responsible for ensuring that these authorities (AO, Contracting Officer, etc.) be redelegated by the appropriate officials.

5.8  
Special  
Inventory  
Due to Change  
in AO's

Whenever an AO retires, resigns, or is transferred, successor must be named and accountability for the property transferred. If a successor has not been delegated this authority, the accountability will be transferred to the outgoing AO's supervisor. Once a successor is appointed, the accountability must then be transferred to that person.

- 5.8.1. Routine Transfers. As soon as AO's know that they will be leaving, they must request the Property Section, FSO, to furnish a copy of the inventory list for property currently on hand.

A. Upon receipt of the inventory list, the outgoing AO must conduct a physical inventory; note any changes on the inventory list; prepare proper forms to report lost, excess, or damaged items; sign the original inventory list and return it to FSO after making two copies; Sign one copy and retain it for his/her record; and provide the other copy to the incoming AO or the supervisor, as appropriate.

B. The incoming AO or the supervisor must review the inventory records, conduct a physical inventory to ensure that all actions have been taken to account for the property, determine financial liability for any missing property, and report excess, lost, unserviceable, or additional property to the Property Section, FSO. Once the incoming AO verifies that the inventory is accurate, and that all property reports and records have been documented, he/she sends a signed copy to the Property Section, FSO, and file a copy in the official inventory file. FSO will then transfer accountability.

- 5.8.2. Nonroutine Transfers. In the case of an Ace death or other unexpected separation or reassignment, the supervisor automatically becomes the interim AO and must initiate the above procedures for accounting the property.

FOR A COPY OF EXHIBITS 1 - 7 TO CHAPTER 5, PLEASE CONTACT THE INFORMATION MANAGEMENT BRANCH, AMS.

Exhibit 8  
Chapter 5

TRANSACTION CODES ON PROP303, PROPERTY TRANSACTION REPORT

A=ADD TO INVENTORY

A-10, New Acquisition  
A-11, Found Property  
A-12, Construction  
A-13, Donation  
A-14, Transfer within USDA Agency  
A-15, Transfer Within USDA  
A-16, Transfer from Non-USDA Agency  
to USDA Agency  
A-17, Partial Change in Accountability  
A-18, Leased Equipment  
A-19, Not Initially Captured by AD-838  
or AD-633  
T-01, Mass Change to Inventory  
Z-10, Conversion

C=CHANGE TO INVENTORY DATA

C-30, Lost or Stolen  
C-31, Damaged  
C-32, Excess (Not Valid For AD-740 Use.)  
C-35, Change Data Elements on Master

D=DELETION FROM INVENTORY

D-50, Delete Lost or Stolen  
D-51, Donated to Other Government  
D-52, Donated to Non-Government  
D-53, Abandoned or Destroyed  
D-54, Sold as Scrap by Agency  
D-55, Sold as Other Than Scrap by Agency  
D-56, Trade-in or Exchanged  
D-57, Transfer to Agency Not Under CAS  
D-58, Transfer to Non-USDA Agency by USDA Agency  
D-59, Sale of Excess by USDA  
D-60, Sale of Scrap by GSA  
D-61, Exchange/Sale  
D-63, Deletes a Non-Property Item  
D-64, Deletes Item Transferred to Excess Pool  
D-66, Deletes Item Reported in Error

FOR A COPY OF EXHIBIT 9 TO CHAPTER 5, PLEASE CONTACT THE INFORMATION MANAGEMENT BRANCH, AMS.

CHAPTER 6

DISPOSAL OF PERSONAL PROPERTY

- |                                 |  |
|---------------------------------|--|
| 6.1<br>Purpose                  | This Chapter describes the requirement and disposal procedure for excess, unserviceable, and surplus personal property.  |
| 6.2<br>Disposal<br>Requirements | <p>6.2.1. Excess Property personal property that is still in operating condition, require only monitor repairs, or can be rehabilitate for use must be made available to other organizations within the Agency, the Department, and to other Federal agencies for use . Items are declared surplus only after this screening process has been completed</p> <p>6.2.2. Surplus Property. Personal property which has been declared surplus after the appropriate screening process is completed must be disposed of by the General Services Administration (GSA) or the</p> |

Agency.

- 6.2.3. Unserviceable Property. Personal property the Accountable Officer (AO) believes is unserviceable because of its condition, age, or lack of commercial value must be reported to the Property Section, Field Servicing Office (FSO), on Form AD-112, Report of Unserviceable, Lost, or Damaged Property, before the AO can take any action to dispose of it.
- 6.2.4. Property Acquired With User Fees or Trust Funds. Excess personal property which was purchased with user fees or trust funds must be reported to the Property Section, FSO. The Property Section, FSO, will provide instructions for a small lot sale or will report the property to GSA for sale, depending upon the expected sales proceeds and an Agency determination that it wants to hold the sale.
- 6.2.5. Dangerous Property. Items of property which could endanger the health and safety of the public (i.e., weapons, chemicals) must be made totally inoperable. Parts or components may sometimes be sold if the item can be dismantled. The AO must report dangerous property items to the Property Section, FSO, before he/she can destroy them.

6.3  
Disposal  
Procedures  
Field Offices

- 6.3.1. Nonreportable Excess Property.
  - A. AO's must take the following actions on non-reportable excess personal property:
    - Determine if the property is still in operating condition or can be used if repairs will restore it to an operating condition.
    - Determine if the property is needed by someone else in the organization by announcing its availability via Telemail, phone calls, memorandum, or through the Property Section, FSO. If another organization can use the property, reassign it by completing Form AD-106, Property Record, Form OF-130, Personal Custody Property Receipt, or Form ABC-13, Receipt for Property.
    - Conduct local screening for a 15-day period by contacting other Departmental agencies within the surrounding area to see if another agency has a need for the property. If so, transfer the property and complete Form AD-107, Report of Transfer or Other Disposition or Construction of Property. Give a copy of the completed form to the acquiring agency and maintain one copy in the property files.
    - Complete Form SF-120, Report of Excess Personal Property, and submit it to the Property Section, FSO, if the local screening process cannot be completed, if the 15-day screening period ends, or if other agencies indicate they do not have a need for the property. Be sure to include a statement on the SF-120 if local screening was conducted. Also describe the property in such a way that others will know exactly what it is. Also use the appropriate condition code as shown in Exhibit 1, Chapter 2, to accurately reflect the condition of the item.

NOTE: If the property is in such condition that it

is of no value for use by any Government Agency, report it as "Unserviceable" on Form AD-112.

B. The Property Section, FSO, will report the property to the Departmental Excess Personal Property Coordinator (DEPPC) via electronic transmission if the local screening process was not completed or if further Departmental screening is desirable because of the type of property.

C. DEPPC will make the property available for screening by other Departmental agencies for 15 days. DEPPC may waive this Departmental screening process if it determines the property has marginal reutilization potentials. At the end of the screening period., DEPPC will report the property to GSA for utilization screening by other Federal agencies and for donation screening by other organizations. DEPPC establishes a surplus release date (SRD) and includes this date when reporting the property to GSA for screening.

D. GSA will make the property available for 21 days for screening by other Federal agencies and an additional 21 days for donation screening. If no one has requested the transfer of the property by the SRD, GSA will begin the sales process or notify the Property Section, FSO, to hold a small lot sale, if the Property Section, FSO, indicated on Form SF-120 that the Agency desires to hold this sale.

NOTE: Be sure to notify the Property Section, FSO, of any storage problems due to lack of space, closing Of an office arrival of new equipment, etc., since this screening and sale process requires a minimum of 72 days and a maximum of 160 days or more. The Property Section, FSO, will attempt to arrange for storage of the property by the Department, GSA, or suitable commercial storage facility and will request that the Department and GSA speed up the screening process.

#### 6.3.2. Reportable Excess Property.

A. The AO must take the following actions on reportable excess property:

- Determine that the property is still in operating condition or that repairs will restore it to an operating condition.

NOTE: If the property is in such condition that it is no longer of value for use by any Government Agency, report it as "Unserviceable" on Form AD.-112.

- Determine if the property is needed by someone else in the organization by announcing its availability. via Telemail, phone call , v ma 9 memorandum, or through the Property Section, FSO. If another organization can use the property, reassign it by completing Form AD-106, Form OF-130, or Form ABC-13, as appropriate, to transfer accountability for the property.
- Complete Form SF-120 and submit it to the Property Section, FSO. Give a complete description of the property and its condition so persons reviewing the information will be able to determine if the property will meet their needs.

B. The Property Section, FSO, will report the

property to DEPPC via electronic transmission of the information. If the Agency elects to conduct a small lot sale, the Property Section, FSO, will include a statement "to be sold by the Agency under small lot sale authority within 30 days after the SRD unless notified by GSA."

C. DEPPC will make the property available for Departmental screening for 60 days. Whenever possible, Agency and Departmental screening will be accomplished concurrently. The owning agency has a 15-day priority for requesting the property.

- Sequence of approval for Departmental transfers of the property to another Departmental agency will be on a first-come, first-served basis. If DEPPC receives competing requests, the following factors will be considered, in favor of Departmental needs:

- o Emergency need - evidence of an urgent or critical requirement.
- o Avoidance of new procurement based upon statement of certification.
- o Direct agency use rather than use by a cost-reimbursable contractor or project grantee.
- o Transportation costs - savings to the Department.
- o Fair and equitable distribution based upon prior allocations.

6-4

In order to make a decision based on these factors, DEPPC may require written justifications from the requesting agencies. If multiple units of the same item are available, DEPPC will encourage each requesting agency to split the allocation.

- Transfer Documents. DEPPC will notify the requesting agency to complete Form SF-122, Transfer Order Excess Personal Property, and submit it to the holding agency. The agencies concerned must make the necessary arrangements for shipment or delivery of the property being transferred. Transfers will be without reimbursement unless the property being transferred was purchased from nonappropriated funds (user fees or trust funds).
- Reporting to GSA. If Departmental agencies have not requested the property at the end of the 60-day screening period, DEPPC will electronically report the property to GSA for utilization screening on an SF-120. DEPPC will establish a surplus release date of 60 days after receipt by GSA and include this date on the SF-120.

D. GSA will make the property available for other Federal agencies for 60 days. At the close of business of the SRD, the property is declared surplus if another Federal agency has not indicated a need for it. GSA will then make the property

available to State and local governments or other eligible donees for 21 calendar days.

E. The Property Section, FSO, will notify the AO of the request from another agency or the ending date of the donation screening period and will:

- Provide instructions for holding a small lot sale if the property is to be sold by the local office, or

- Request that GSA sell the property.

6.3.3. Excess Personal Property Which Requires Special Handling.. The following property requires special handling and will be reported, transferred, sold, or destroyed as indicated:

A. Nuclear Regulatory Commission - Controlled Materials. The Property Section, FSO, will report any excess radioactive or radiation-emitting equipment directly to the Nuclear Regulatory Commission (NRC). NRC regulations will be followed in disposing of this type of property.

B. Firearms, Including Mufflers and Silencers for Such Weapons. The Property Section, FSO, will report any excess items of this type, including firearms which were originally received as gifts from foreign governments, to the Personal Property Management Division, Office of Operations (00).

C. Aircraft, Aircraft Parts, and Accessories in Federal Classification Groups 15, 16, and 28. The Property Section, FSO, will either contact other Departmental user agencies (Forest Service and Agricultural Research Service) to see if they have a need for the property or will report it to the Personal Property Management Division, 001, for Departmental screening. If the aircraft, parts, or components cannot be reutilized within the Department, the SF-120 will be submitted to Region 9 of the GSA for screening by other Federal agencies.

NOTE: Separate SF-120-a are required for the aircraft and for parts and components.

D. Printing, Binding, and Blankbook Equipment and supplies. DEPPC will report excess machinery, equipment, material and supplies for printing, binding, and blankbook work to the Government Printing Office (GPO). If GPO does not need the item, it will be reported to GSA for screening by other Federal agencies.

E. Property Located in U.S. Possessions. Excess property which is located in the Commonwealths of Puerto Rico, American Samoa, Guam, and Northern Marianas; the Trust Territory of the Pacific Islands; and the U.S. Virgin Islands will be reported to GSA, if appropriate, or approved by the Property Section, FSO, for other disposal action.

F. Property Located in Foreign Countries. Excess property located in foreign countries may be disposed of by transfer, exchange, lease, sale, destruction, or abandonment. AO's must:

- Contact other Agency organizations, or other Departmental or U.S. Government agencies, located in the general area to see if the property can be reutilized or exchanged for a similar item or other property that is needed (if in the best

interest of the U.S. Government).

- Submit an SF-120 to the Property Section, FSO, for any property which would be economically feasible to return to the United States because of its value or the type of property. The Property Section, FSO, will then authorize appropriate disposal action.
- Contact the appropriate U.S. diplomatic or consular mission to see if arrangements can be made for officially transferring the property to that organization for disposal.
- Sell the property if no one else has a need for it, or the U.S. mission cannot handle the disposal, and submit the proceeds to the Property Section, FSO, for deposit to miscellaneous receipts.

NOTE: Proceeds from the sale of property which was purchased with user fees will be credited to the accounting or management code shown on the SF-120.

NOTE: AO's must contact the Property Section, FSO, before taking any of the above actions.

G. Gifts or Decorations the Agency Received From a Foreign Government. Any tangible gifts valued at \$165 or more in U.S. currency or any decorations accepted on behalf of the United States which cannot be retained for official use or be returned to the donor must be reported to the Personal Property Management Division, 00, by the Property Section, FSO. If another Departmental agency does not request the item for reutilization after 30 days, it will be reported to GSA for further disposal. AO's must add the words "Foreign Gifts And/Or Decorations" in a conspicuous place on the SF-120 before submitting it to the Property Section, FSO.

Intangible gifts of money, cash, currency, checks, money orders, bonds, shares of stock, and other securities or negotiable instruments will be deposited with the Department of the Treasury according to applicable laws and regulations.

6.3.4. Unserviceable Property. The Property Section, FSO, will review the Form AD-112 information and make a determination on the appropriate disposal action.

A. Commercial Value of the Property. The Property Section, FSO, will determine the commercial value of the property based on the information provided on the Form AD-112, the type of property and its material content, the availability and cost of sources for recycling or selling as scrap, and proceeds from previous sales of the same or similar type of property.

Any property which has a commercial value for selling as is, recycling, or selling as scrap will be sold unless one of the criteria in B. below applies.

B. Authorization To Take Abandonment or Destruction Action. Abandonment or destruction action must be based upon one of the following authorities:

- The property has no commercial value; neither utility nor monetary (as an item or as scrap).
- The cost of care, handling, and preparation of

the property for sale would be greater than the expected sale proceeds (estimated fair market value).

- A law, regulation, or directive requires abandonment or destruction action.
- Written instructions by a duly authorized official (health, safety, security) require abandonment or destruction.

C. Written Finding. The Property Section, FSO, must Justify the abandonment or destruction action and document the finding in writing. The finding must include:

- A detailed description of the property, condition, and total acquisition cost.
- The appropriate authority (from B. above) and any pertinent supporting documentation.
- A statement describing the proposed method of destruction (i.e., burning, burying, etc.) or the abandonment location.
- A statement that the proposed abandonment or destruction action will not be detrimental or dangerous to the public health Or safety and will not infringe on the rights of other persons.
- The signature of the appropriate official approving the abandonment or destruction action. This will be one of the Property Specialists in the Property Section, FSO.
- The name, title, and signature of a reviewing official if the acquisition cost of the property is more than \$1,000. This will be the Chief, Accounting and Property Services, FSO.

NOTE: The Form AD-112, or an attachment to it, will be used for this written finding.

D. Public Notice Requirement. A Public notice must be posted in the area where the property is located for a period of at least 7 Calendar days. Exception: Public notice Is not always required in foreign locations or for property which must be destroyed as required by a law, regulation, directive, or for reasons of public health\$ safety, or security. This notice informs all interested persons of the Agency-S intent to abandon or destroy an item of personal property and provides another opportunity for the Agency to donate it to a public body (State or local government organization) or sell it before abandonment or destruction action is taken. See Exhibit 1 of this Chapter for a public notice format which can be used.

The notice must be posted in public places where others in Federal, State or local governments or the public have access to the information, such as on bulletin boards, in local newspapers, or in local organizations- newsletters.

E. Procedures. After the Property Section, FSO, approves property for abandonment or destruction action, the AO must:

- Contact the Property Section, FSO, if a public body is interested in the property or if a private citizen, organization, or company is



interested in buying it, based upon the public notice announcement.

- Ensure that the property is destroyed in a way which makes it totally inoperable. A witness must be present to verify that the property was destroyed. The AO must document the destruction on Form AD-112 and sign in the appropriate section to certify that the property was properly destroyed by a safe and healthful method. The witness must also sign this certification.
- Document the abandonment/destruction on Form AD-112 If the property was authorized for abandonment or destruction by the Property Section, FSO. NOTE: The Property Section, FSO, will authorize abandonment or destruction only when all other means of disposal have been exhausted.

F. Sale as Scrap. The Property Section, FSO, will provide appropriate instructions to the AO if a determination is made that the property has resale value as scrap. The AO must document the disposal and sign the Form AD-112 to certify that the disposal action was completed.

6.4  
Disposal  
Procedures-  
Washington DC,  
Metropolitan Area

6.4.1. Reporting Excess Property. The AO must prepare Form AD-107 and submit It to the Headquarters Operations Section (HOS), Property and Safety Management Branch, Administrative Services Division.

NOTE: APHIS offices may use the Form AD-107 which is on PRIME (forms text area) using the authorization number in the signature block. The Form AD-107 can then be electronically transferred to HOS.

6.4.2. Screening and Transferring Property.

A. HOS will determine if another Agency office has a need for the property. If so, HOS will arrange for the movement of the property and have the receiving AO sign the Form AD-107; will forward the original to the Property Section, FSO, for accountable property; and will retain a copy in its files.

B. If another agency office does not have a need for the property, HOS will determine if a client agency needs the item. HOS will then take appropriate action as described in A. above.

C. HOS will forward Form AD-107 to the Centralized Excess Property Office (CEPO) for Departmental screening after 15 days. For certain property, such as furniture, CEPO Will sign the Form AD-107 as the receiving AO and arrangements will be made for the movement of the property. The AO who declared the property excess must ensure that he/she receives a signed copy of the Form AD-107 showing the transfer to CEPO.

D. CEPO will make the property available for screening by other Departmental agencies for 60 days. If it cannot be reutilized by the Department, CEPO will declare it excess and report it to GSA for Governmentwide screening.

NOTE: If the excessing AO encounters a storage

problem for items which are not physically moved to CEPO, such as ADP equipment, he/she must inform HOS. HOS will then work with CEPO, GSA, the Property Section, FSO, or other agencies to see if storage can be arranged.

#### 6.4.3. Reporting Transfers of Accountable Property.

A. The excessing Ace must forward a copy of the signed Form AD-107 to the Property Section, FSO, when the transfer involves accountable property.

B. The Property Section, FSO, will enter changes into the PMIS for accountable property that is transferred from the excessing agency to another agency or to CEPO.

#### 6.5 Sale of Personal Property

##### 6.5.1. GSA Sales. When it is cost effective, GSA will sell items of personal property.

A. GSA will handle the advertising, documentation, and collection and deposit of proceeds. The property may be advertised for individual sale to bidders or consolidated for sale through the bidding or auction process.

B. The Agency AO must make sure the property is available for inspection by prospective buyers if the property was not physically transferred to GSA. GSA may request the physical transfer of the property if a consolidated sale or auction will be hold.

C. GSA will send the Agency AO a copy of GSA Form A, Purchaser-9 Receipt and Authority to Release, if the buyer is to pick up the property. GSA will not send this form until the buyer has made full payment for the property. The AO must send the signed original of GSA Form A to the Property Section, FSO, to complete the sale and remove the item from the inventory.

D. The A must notify the appropriate GSA regional office and the Property Section, FSO, in writing, if the buyer does not remove the property by the date specified on the GSA Form A so other action can be taken.

##### 6.5.2. Agency Sales. The Agency may elect to sell the personal property if:

A. The items are surplus commodities (such as farm or orchard crops, milk, fresh meat and poultry, live animals, grain, flour, rice, etc.)

B. The Items are surplus foods processed from agricultural commodities.

C. The items are surplus cotton or woolen goods.

D. The items consist of small lots and the estimated proceeds from the sale will not exceed \$5,000. The Property Section, FSO, must notify the appropriate GSA regional office of the Agency's intent to sell the property under the small lot sales authority. The Property Section, FSO, will provide small lot sale instructions, as appropriate.

NOTE: The Agency may also hold small lot sales where the anticipated proceeds will exceed \$5,000.

The Property Section, FSO must obtain advance approval from the appropriate GSA regional office before the sale can be held.

E. GSA may contact FSO following utilization and donation screening to see if the Agency elects to sell the property.

- 6.5.3. Sales of Personal Property to employees. Personal property offered for sale by the Agency may be sold to employees (directly or indirectly) only when:

A. The sale is based on competitive bids, and

B. The employee was not formerly accountable for the property, did not formerly use the property, or was not in any way connected with its condemnation, declaration as excess, or sale.

EXCEPTIONS:

- An Agency employee may purchase special clothing and other articles of personal equipment which are not useable by the Government and/or are surplus to the organization-a needs if they were purchased for the exclusive use of and fitted to the individual. These items may be sold at a fair and equitable price to an employee who is permanently assigned to duties which do not require the use of such clothing or equipment or who is leaving the Agency.
- A Department employee may purchase surplus perishable products which (a) are sold by competitive bid or by a negotiated sale or at negotiated sale at a fixed price, or (b) are sold at the best price obtainable. The employee may only purchase the quantities needed to meet the need of his/her immediate household.

- 6.5.4 Proceeds From Sales. The proceeds from the Sale of personal property are deposited to the U.S. treasury as miscellaneous receipts.

NOTE: The AO or representative in not to act as the agent or shipper for the transferree unless it is advantageous to do so. The transferee is responsible for removing the property or making arrangements for its shipment.

6.6  
Donation of  
Personal  
Property

- 6.6.1. Timeframes. The Agency must allow a total of 42 days after the SRD for receipt of an approved Form SF-123, Transfer Order Surplus Property, from the appropriate GSA regional office. GSA will also send instructions for the pickup or shipment of the property.
- 6.6.2. Inspection. The AO must provide information about the property and make it available for inspection by prospective donors upon request.
- 6.6.3. Releasing the Property The AO must not release the property until receipt of the Form SF-123 which indicates that the appropriate GSA official approved the transfer and instructions are received from the Property Section, FSO.
- 6.6.4. Nonreportable Personal Property. The AO may want to notify the State agency for surplus property that such items are available for donation. The State agency can then contact GSA if they are interested

in the property.

6.7  
Exchange/Sale  
Property

6.7.1. Conditions. Authorization to apply exchange /  
sale produces covers only the following condition:

A. The item sold or exchanged is similar to the item acquired. Both items can be identical, designed and constructed for the same specific purpose, or be parts or containers for identical or similar end items; or fall within a single category in the following list:

- Animal and animal products.
- Drugs, biologicals, and official reagents.
- Earth augers.
- Adding and calculating machines.
- Dictating and transcribing machines.
- Warehouse tractors.
- Wheeled or crawler tractors (up to 65 hp), with or without special attachments.
- General purpose trailers, multiple axles.
- General purpose trailers, single axle.
- Tool mounted trailers.
- Forklift trucks.
- Manual and electric typewriters.
- Motor vehicles.

B. The items sold or exchanged are not excess and the items acquired are needed to conduct approved programs.

C. A single item is being acquired to replace a single item. This one-for-one rule applies to all exchange/sale items except:

- Those items exchanged/sold and acquired are parts or containers for identical or similar end items.
- The items acquired must perform all or substantially all of the tasks for which the old items would have been used.

D. The Agency has determined, in writing, to apply the exchange allowance or the proceeds from sale to the purchase of the acquired items.

E. The item being exchanged/sold was acquired for official use and not for the principal purpose of exchange or sale (see 6.7.3. for reassignment of property for exchange/sale purposes).

6.7.2. Requirements.

A. Exchange transactions should occur when the vendor delivers the replacement item. This allows for continued use of the property and eliminates additional handling and storage.

B. Automated data processing equipment cannot be exchanged or sold until completion of the screening

process for possible reutilization by another Federal agency.

6.7.3. Reassignment for Exchange/Sale Purposes. Items eligible or the exchange/sale process may be reassigned within the Agency for the purpose of exchange. Contact the Property Section, FSO, to see if similar items which another organization has reported as excess could be reassigned for this purpose. In such cases, the property should be physically retained by the excessing organization. The vendor can then deliver the replacement item to one office and pick up the exchange item from another office. If this is not possible, arrangements may be made to deliver the item directly to the vendor.

6.7.4. Proceeds From the Sale of Exchange/Sale Property. Application of the proceeds from the sale of such property will be handled as follows:

A. Property Sold Before the Purchase of Replacement Property.

- The proceeds will be deposited to the appropriate Agency account.
- The proceeds will be available for the purchase of a similar replacement item during the fiscal year in which the sale is made and for 1 fiscal year thereafter.

B. Property Sold After the Purchase of Replacement Property. The proceeds will be deposited as a direct reimbursement credit to the appropriation which was charged for the replacement item.

C. Property Sold From One Organizational Unit and the Replacement Item Purchased by Another Organizational Unit. The proceeds can be deposited to a different appropriation without the organization reassigning the property.

6-16

Exhibit 1  
Chapter 6

PUBLIC NOTICE  
OF  
ABANDONMENT OR DESTRUCTION

1. NOTICE.

NOTICE is hereby given that the \_\_\_\_\_ purposes to initiate abandonment or destruction Procedures for the following surplus Government property:

Item Name: \_\_\_\_\_

General Description: \_\_\_\_\_

NSN: \_\_\_\_\_

Quantity: \_\_\_\_\_

Condition: \_\_\_\_\_

Unit of Issue: \_\_\_\_\_

Total Acq. Cost: \_\_\_\_\_

2. DONATION,

Beginning on \_\_\_\_\_ until close of business  
\_\_\_\_\_ the above property will be available  
for donation to public bodies. After this time all remaining property will  
be abandoned or destroyed in accordance with applicable Government disposal  
regulations.

3. SALE.

Notwithstanding the above commencing with the posting of this notice  
and so long as the property is available, the Government will consider the  
sale of all or any portion of this property to any or all interested parties  
on a first-come, first-served basis.

4. INSPECTION.

This property is available for inspection at \_\_\_\_\_  
from \_\_\_\_\_ to \_\_\_\_\_ Monday thru Friday, excluding  
holidays and weekends. Interested parties are invited to contact:

---

\_\_\_\_\_

\_\_\_\_\_

---